

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 08-13555 (JMP)

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5 In the Matter of:

6 LEHMAN BROTHERS HOLDINGS, INC., et al.

7 Debtors.

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U.S. Bankruptcy Court

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One Bowling Green

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New York, New York

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September 27, 2012

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21 B E F O R E:

22 HON. JAMES M. PECK

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: TIFFANY

1 HEARING re One Hundred Forty-Third Omnibus Objection to
2 Claims (Late-Filed Claims) [ECF No. 16856]

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4 HEARING re Three Hundred Twenty-Ninth Omnibus Objection to
5 Claims (Misclassified Claims) [ECF No. 29324]

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25 Transcribed by: Sheila Orms

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1 P R O C E E D I N G S

2 THE COURT: Be seated, please.

3 MR. HORWITZ: Good morning, Your Honor, Maurice
4 Horwitz, Weil Gotshal & Manges on behalf of Lehman Brothers
5 Holdings, Inc. as plan administrator.

6 The first item on today's agenda is a carryover
7 from the 143rd omnibus objection to claims, which sought to
8 disallow certain claims on the grounds that they were filed
9 after the bar date in violation of the bar date order in
10 these cases.

11 Today LBHI is proceeding as to seven claims on the
12 143rd objection. All seven of these claims, which are based
13 on Lehman program securities were filed on February 4th,
14 2010. That's approximately three months after the bar date
15 applicable to Lehman program securities, which was November
16 2nd, 2009.

17 Nine were responses were filed in connection with
18 these claims, and the plan administrator filed an omnibus
19 reply to these responses this past Monday, that's ECF No.
20 31068.

21 I should correct one thing misstated in the reply,
22 which is that we state that the claimants do not plead
23 excusable neglect citing Pioneer. In fact, seven of the
24 responses do cite to Pioneer, and provide a reason for the
25 delay in their response.

1 The plan administrator in evaluating each of the
2 responses has considered based upon the reasons given in all
3 nine responses, whether the claimants would be able to
4 satisfy the rigorous standard of excusable neglect in the
5 Second Circuit. Having reviewed the responses, the plan
6 administrator has concluded that the claimants do not
7 satisfy the standard for excusable neglect, and that the
8 claims should be expunged.

9 As this Court is aware, in Pioneer, the U.S.
10 Supreme Court held that the determination of whether neglect
11 is excusable is an equitable one, and that Courts should
12 consider four factors in making this determination. One,
13 the prejudice to the debtors; two, the length of the delay
14 and its potential impact on judicial proceedings; three, the
15 reason for the delay, including whether it was within the
16 reasonable control of the claimant; and four, whether the
17 claimant acted in good faith.

18 Significantly, the Second Circuit does not give
19 equal weight to all four factors. The third factor, the
20 reason for the delay is the most important. And the
21 determination will typically turn on the reason for the
22 delay.

23 The nine responses that were filed all point to the
24 same reason for the delay, which is a breakdown in
25 communication between the claimants, their banks, and their

1 purported advisor, an entity called Deminor International
2 which filed seven responses on behalf of each of the
3 claimants. In these responses, Deminor states that the
4 claims were late because the bank thought that the claimant
5 would file the claim, whereas the claimant thought that the
6 bank would file the claim.

7 Two of the claimants also filed their own
8 responses, Francois Bernier and Claude Fitvoye. These
9 responses are somewhat difficult to follow. One is actually
10 handwritten in French. Both appear to confirm that there
11 was indeed a fatal breakdown of communication among these
12 parties.

13 Both claimants state that they obtained blocking
14 numbers and any other necessary documentation, such as
15 powers of attorney, and forwarded these documents to
16 Deminor, authorizing Deminor to file the claims on their
17 behalf.

18 It therefore appears that these two claimants did
19 not think that their bank would file their claims, but
20 rather that Deminor was going to file the claims. In fact,
21 in the case of Mr. Fitvoye he attaches a letter from
22 Citibank dated October 15th, 2009, which confirms with him
23 his preference for Citibank to file a claim on his behalf,
24 and stating that he or a third party would be responsible
25 for the filing.

1 Your Honor, the miscommunication among these
2 parties is the only reason offered to explain why the claims
3 were filed nearly three months after the applicable bar
4 date. Neither the claimants, nor their purported adviser
5 argue that any other Pioneer factors weigh in their favor.
6 They do not allege confusion or lack of notice regarding the
7 application of the bar date to their claims. And they
8 apparently knew to follow the procedures to obtain blocking
9 numbers for the claims, as required by the bar date order.
10 Nevertheless, the proofs of claims were -- the proofs of
11 claim were not filed until February of 2010.

12 Any one of the claimants, their banks or their
13 advisors could have filed proofs of claim on behalf of the
14 claimants. The debtors recognized that the issuance of
15 Lehman program securities involves a number of different
16 parties from account holders, to holders, to clearing
17 agencies, and so on. And for this reason, the bar date
18 order provides that claims based on Lehman program
19 securities shall not be disallowed on the ground that such
20 claims were not filed by the proper party or an authorized
21 agent.

22 Despite this, the proofs of claim were not received
23 on or before the applicable bar date is required by the bar
24 date order. Indeed, according to Deminor, and as it states
25 in its response, it was not until January of 2010 that the

1 claimants even realized that the proofs of claim had never
2 been filed.

3 The claimants failure to communicate with their
4 advisors and their failure to follow-up and ensure that the
5 proofs of claim had been timely filed is a factor entirely
6 within the reasonable control of the claimants, and does not
7 alone support a finding of excusable neglect.

8 As noted in LBHI's reply, this Court has previously
9 considered this very type of miscommunication, in which
10 claimant's advisors and other parties involved in the
11 ownership of Lehman program securities failed to agree or
12 communicate effectively among themselves as to who would
13 file a guarantee claim against LBHI.

14 In a reported decision cited in our papers, this
15 Court found that such miscommunication, carelessness, or
16 inattention to detail, or in -- pardon me, inattention to
17 the guarantee claim was entirely within the control of the
18 claimant and its advisors, and did not establish excusable
19 neglect.

20 Here, Your Honor, the plan administrator submits
21 that the Court should follow its prior decision and find
22 that in these circumstances as well, the claimants have not
23 made a sufficient showing for a finding of excusable
24 neglect. Accordingly, unless the Court has any questions,
25 the plan administrator respectfully requests that the 143rd

1 omnibus objection to claims be granted with respect to the
2 claims listed on Exhibit B of LBHI's reply.

3 THE COURT: It's a very complete and compelling
4 argument, but I do have a few questions for you.

5 One frankly relates to whether there can ever be a
6 case of excusable neglect under these circumstances. What
7 should or could the claimants have done under these
8 circumstances, given the fact that there was a dropped ball,
9 a failure to file, but an intention to file, compliance with
10 the blocking number requirements, and general reliance upon
11 others to do what, I suppose the claimants assumed would be
12 done without having clarified exactly who would do it.

13 What could a claimant do in order to satisfy the
14 Pioneer standards? Have you thought about that? Because
15 one of the things that bothers me is that this is almost a
16 per se problem, the failure to file timely appears not to
17 have any excuse, forget excusable neglect.

18 MR. HORWITZ: Your Honor, one thing that I have
19 considered and I think sort of eluded to in saying what the
20 bar date order -- that the bar date order provides, that the
21 debtors wouldn't object, or that the claim wouldn't be
22 disallowed on the grounds that the wrong party filed the
23 claim.

24 The claimants could have themselves filed proofs of
25 claim and instructed everybody to file a proof of claim on

1 their behalf, so that at least somebody would have indicated
2 the claimant's intention to hold LBHI liable for a guarantee
3 issued in respect to the securities that they held. They
4 could have done that and didn't. That is one thing that
5 they could have done.

6 THE COURT: Is it your position that if they had
7 acted more promptly that would've been some indication that
8 they were more diligently pursuing their rights? Is the
9 fact that there's a uniform three month delay here a factor
10 to be considered?

11 MR. HORWITZ: I think it's a factor to be
12 considered in demonstrating the opposite, just their failure
13 to -- their inattention to detail with respect to these
14 claims. I don't think that if they had acted promptly and
15 managed to file the claims a week later that the claims
16 would be anymore timely than they are now.

17 THE COURT: I recognize that they're not timely.
18 But let's just -- I'm trying to explore with you how to most
19 properly draw a line that does allow for excusable neglect
20 when a good reason has been shown for it. And to see if
21 there is any reason, other than the one you've identified
22 which is filing multiple claims, to grant relief in a case
23 of a late filed claim based upon Lehman program securities.

24 Is it your position that this is an absolute date
25 which if missed is not subject to any reasonable excuse?

1 MR. HORWITZ: The -- any claimant is free to assert
2 that it is -- that excusable neglect is present, but I
3 hesitate to provide claimants whose claims have yet to be
4 scheduled for hearing with options to -- for them to assert
5 that perhaps they haven't thought of, for why their claims
6 should be allowed.

7 This Court has previously allowed, I believe, has
8 allowed claims recognizing that in some circumstances it's
9 possible for a claimant not to have known whether the
10 provisions of the bar date order applied to their claims,
11 and that the November 2nd bar date applied to their claims
12 as opposed to the October bar date.

13 But in these circumstances, the problem is that
14 it's clear from the response as filed that the claimants had
15 absolutely no confusion about the application of the bar
16 date order. They understood it very well.

17 You know, if they failed -- if everybody failed --
18 dropped the ball, it was not just one ball, everybody had
19 the opportunity to file a claim, if nobody did anything,
20 it's really difficult for the debtors to have any sympathy
21 for this -- for these circumstances.

22 THE COURT: I guess the question comes down to
23 this. Is it excusable neglect for a party that wants very
24 much to comply with the bar date not to have provided clear
25 and unambiguous instructions to one party or another to file

1 the claim on time?

2 MR. HORWITZ: That would. I don't think that would
3 lead to a finding of excusable neglect that the party didn't
4 give clear instructions to their agent. I mean, it was
5 really -- it's really the responsibility of the claimant. I
6 think it really goes to what -- I mean, what is the claimant
7 responsible for, either to file the claim or to clearly
8 instruct any authorized agent to file the claim on their
9 behalf.

10 THE COURT: See, we've had situations in the past
11 involving employees within the same global organization who
12 assumed that one or the other was going to be responsible
13 for the filing of a proof of claim, and I found that that
14 was not, based upon the facts presented, sufficient for
15 excusable neglect.

16 One of the things that may distinguish this, and
17 I'm just exploring it with you, is that in each instance
18 we're dealing with individual securities holders, all
19 located outside the United States, all seeking to comply
20 with what I'll describe as unconventional provisions in
21 reference to a proof of claim because they involve the need
22 to get a blocking number to deal with claims arising under
23 Lehman program securities, a unique kind of investment. And
24 they actually took steps to file the claim through agents.
25 And then didn't do more until it was too late.

1 And I'm wondering if you're able to give me more
2 comfort that I currently have that, in fact, my prior
3 rulings apply to this situation, and should be applied to
4 this situation. That's part one of my question.

5 Part two of my question is whether it would truly
6 prejudice Lehman and its estate during this phase of the
7 bankruptcy for these individuals to be found to have
8 actually complied with the excusable neglect standard,
9 because they did up to the point of the filing date
10 everything they believed necessary to comply.

11 MR. HORWITZ: Just answer the -- I'll take the
12 questions in order. One thing I'll point out is that, this
13 is actually something that Deminor points out in their
14 response, I haven't verified this, but they state that they
15 did file -- they managed to file proofs of claim on behalf
16 of all their other clients. And I don't believe this is the
17 only example of Lehman program securities being filed on
18 behalf of claimants by either an advisor or bank. That is
19 to say, if every other or most other claimants or holders of
20 Lehman program securities were able to effectively
21 communicate among themselves and their advisors and file
22 timely claims, that to me is an indication that it's
23 something within the realm of possibility. Well within the
24 realm of possibility for most holders of these securities.

25 I don't think that the claimants who did file

1 timely claims are anymore sophisticated, or at least any --
2 most of them are probably about the same level of
3 sophistication as these claimants.

4 THE COURT: We haven't really touched on this and
5 before you get to the prejudice question, I want to ask you
6 this delicate question. Is this a situation of potential
7 advisor malpractice?

8 MR. HORWITZ: That is, I will say -- just to
9 preface my answer, I don't really know the relationship
10 between Deminor and the claimants other than what Deminor
11 states in its papers. I don't know under what law that
12 relationship has been memorialized, if it has been
13 memorialized. I note that Deminor is located in Brussels.
14 These claimants are located throughout Europe, so I wouldn't
15 know just under what rules would apply to the relationship
16 between Deminor and the claimants. If --

17 THE COURT: I agree with you, I have no idea.

18 MR. HORWITZ: If this were -- if these were my
19 clients, that might be a different question, and it would be
20 something I'd be concerned about as an attorney, but I just
21 don't know what rules apply to Deminor.

22 THE COURT: All right. Now, let's go to the
23 question of prejudice to Lehman, an entity which has just
24 announced the distribution of another 10 plus billion
25 dollars to creditors, and it has in the past distributed

1 some 22 and a half billion dollars. So we're talking about
2 a distribution scheme that's well under way. How does
3 allowing these claims impact a 65 billion dollar plus
4 estate?

5 MR. HORWITZ: Your Honor, the prejudice element is,
6 I think I've stated before, it applies not only to the
7 debtors but other creditors. There are other creditors
8 whose claims have been expunged already for this very
9 reason. Either because they didn't respond to an objection,
10 or if they did, I mean, there's at least one whose claim was
11 expunged in a reported decision. That reported decision now
12 has given notice to everyone else that's a creditor in these
13 cases that they shouldn't bother to try to file a late claim
14 on the grounds that they realized they miscommunicated with
15 their advisors.

16 I don't know specifically how many claims, late
17 claims remain that would -- where the circumstances would be
18 the same as these, but I do know there are a few still set
19 -- yet to be set for hearing where claimants have said there
20 was a miscommunication among the advisor and the claimant
21 and the bank.

22 In addition, claimants continue to file late
23 claims. We continue to file objections to claims that are
24 filed three years after the bar date, four years after the
25 bar date. And I have -- and we don't know how many

1 claimants who are out there that might see a decision
2 entered allowing these claims because this was found to be
3 an excusable neglect and might decide that it's time for
4 their claims to be considered for the same reasons.

5 Because I can't quantify that, I can't say exactly
6 what the prejudice would be, but that would impact -- it
7 could impact, at least the administration of the claims in
8 these cases, which continues to be -- it's a work in
9 progress that will take a long time to complete.

10 As far as late claims just in general, there are
11 still over \$200 million worth of asserted claims filed by
12 claimants who filed their claims after the bar date and have
13 yet to be set for hearing. We're going through them one-by-
14 one and considering each response very carefully, and
15 ensuring that we can set them for hearing on dates that
16 claimants say that they'll be able to attend.

17 So a decision like this could impact any one of
18 those claims, just because in each one, there's a -- some
19 variation of I was confused, or I, you know -- and some of
20 them may involve attorneys who didn't file claims on time.
21 So it would give people a hook that the debtors certainly
22 haven't anticipated it after the reported decision that
23 found these circumstances not to be excusable neglect.

24 THE COURT: Okay. And one more question --

25 UNIDENTIFIED: (indiscernible) was any of the

1 payments have (indiscernible) respond?

2 THE COURT: You're going to have to identify
3 yourself. I didn't even realize that somebody was --

4 MS. ARI: Apologies. My name is Tel Lev Ari. I'm
5 claim number 65858 (indiscernible) so I'm not even sure
6 (indiscernible) my claim, but I'm one of the claimants that
7 (indiscernible).

8 THE COURT: I'm -- is this a claimant that's on the
9 list?

10 MR. HORWITZ: This claim has not been set for
11 hearing today.

12 MS. ARI: Oh (indiscernible) this is why I'm
13 calling.

14 THE COURT: Where are you located?

15 MS. ARI: I'm located in the UK which is why
16 (indiscernible) saying that the hearing is scheduled for
17 today.

18 THE COURT: Well, I don't know when your claim is
19 scheduled for hearing, but it's not on the notice of matters
20 to be heard this morning. So --

21 MS. ARI: Okay.

22 THE COURT: -- I'm looking at the behavior of the
23 lawyers who are representing Lehman, I can tell that they're
24 confused as to why you're on the line right now. I know
25 that I am. So nothing is going to happen that will affect

1 your claim today, because I'm not deciding any issues with
2 respect to it, and I haven't prepared to do that. I don't
3 know the facts of your claim.

4 MS. ARI: Okay. So (indiscernible).

5 THE COURT: So --

6 MS. ARI: (indiscernible) my hearing?

7 THE COURT: Well, my suggestion is that you contact
8 counsel for Lehman at Weil Gotshal & Manges and try to find
9 out the status of your claim and when it's going to be
10 scheduled for further hearing. But you're certainly welcome
11 to continue to listen, but I'm not going to be deciding any
12 issues that relate to you today.

13 MS. ARI: Okay. No, I appreciate (indiscernible)
14 but thank you, and I will be (indiscernible).

15 THE COURT: Okay. Thank you.

16 MR. BOWMANS: Hello, Your Honor. (indiscernible)
17 on the line on behalf of Deminor.

18 THE COURT: That's fine. I'm going to give you an
19 opportunity to speak in just a moment.

20 MR. BOWMANS: Thank you very much.

21 THE COURT: I wanted to ask one more question of
22 Mr. Horowitz before turning this over to you or to any other
23 claimant or claimant representative who wishes to be heard
24 on this issue. And that is, I read the handwritten petition
25 that was in French, and I couldn't understand it, and didn't

1 have a translation for it. Have you had it translated? Do
2 you know what it says?

3 MR. HORWITZ: I do know what it says. I can --

4 THE COURT: Can you give me the substance of it as
5 best you can --

6 MR. HORWITZ: Yes.

7 THE COURT: -- recognizing that I don't accept it
8 as anything other than your best attempt to paraphrase the
9 meaning.

10 MR. HORWITZ: This is the response of Claude
11 Fitvoye. He says that he obtained -- he says that his bank
12 obtained a settlement for him for a certain amount, but that
13 it was not satisfactory to him, that he thinks he deserves
14 more. He took the steps necessary to obtain a blocking
15 number and forwarded this information to Deminor. He states
16 that he was -- happened to be out of town during the week
17 that he -- that I guess it was Citibank sent him a letter
18 with the blocking number, so he wasn't able to forward it to
19 Deminor in time for Deminor to file the claim on his behalf.
20 That's basically the substance of his response.

21 The one thing that I found confusing about this is
22 that despite -- yet he said he forwarded this information to
23 Deminor a few days after the bar date past, in fact, I think
24 the day after, because the day before was a holiday. But
25 the claims were still not filed until February 4th, 2010,

1 his claim still not filed until February 4th, 2010.

2 I don't know based on his response or Deminor's
3 response what transpired between that date and the date that
4 the claims were actually filed. Deminor on behalf of Mr.
5 Fitvoye also says that it was not until January 2010 that
6 the claimants realized that the claims had not been filed
7 and contacted Deminor.

8 THE COURT: All right. Thank you for that. And is
9 this Mr. Bowmans (ph) who's on the line for Deminor?

10 MR. BOWMANS: Yes, that's me, thank you.

11 THE COURT: I'll hear what you have to say, sir.

12 MR. BOWMANS: Okay. Well, I first of all wanted to
13 clarify (indiscernible) to the relationship between Deminor
14 and these clients, more in particular the persons for whom
15 we objected. Deminor is a firm that is consisting
16 (indiscernible) in various kind of situations where they
17 have lost money, and we try to recover those monies for
18 them, and mostly in Europe, but in this case, part of the
19 work had to be done in the U.S. Actually these persons of
20 the Lehman securities (indiscernible) and they claim that
21 they didn't receive right information about a product that
22 they bought and the risk. And so our mandate from these
23 clients was to try to recover some of the money that they
24 had lost not from Lehman Brothers itself, but from the banks
25 who had sold these products to them in their own country.

1 And in this case, all these persons are (indiscernible)
2 persons who bought their securities I think from Citibank.

3 Now, we were in discussions with Citibank
4 (indiscernible) the end of 2009 with regards to a possible
5 settlement. And the settlement was actually reached in
6 early 2010.

7 Some of the clients mandated us (indiscernible)
8 Lehman Brothers bankruptcy (indiscernible) our clients
9 mandated us much later, and some at the end of 2009. I do
10 not know in particular for all these clients here whom we're
11 discussing about when precisely they (indiscernible).

12 And when we heard about the need to file proof of
13 claim to the Lehman Brothers bankruptcy, we wrote a letter
14 to our clients saying that we were at their disposal if they
15 had questions, if they wanted us to assist them, but that
16 this was (indiscernible) would normally be taken care of by
17 the bank. And that the bank had to get the blocking number,
18 that the bank would send to them, and that if they wanted us
19 to do something for them, to help them file the claim for
20 them, then we needed to have a power of attorney from them,
21 and we needed to get the blocking number that the bank had
22 communicated to them because we needed that information in
23 order to fill out the claim forms.

24 Now, it seems that some persons have misunderstood
25 communication or have been confused by the communication

1 they were getting from their bank, and what they were
2 getting from us. And I'm absolutely open about it, and some
3 persons have not been able to either they didn't understand
4 or some understood (indiscernible) not being able to send
5 the power of attorney or the blocking number to us in due
6 time. And that's why the filing was not made.

7 When the settlement was done with Citibank Belgium
8 in January 2010, with the payment (indiscernible) generated
9 and this explains probably why we wrote you a letter in
10 February, and some of these clients didn't receive the full
11 amount of the settlement because the settlement was composed
12 of damages on the one hand, and the price for taking over
13 the Lehman securities.

14 And for those clients (indiscernible) appears that
15 no regular finding had been made, Citibank said for these
16 clients, we'll only pay the damages part, we will not pay
17 the part that we consider the failing of the underlying
18 securities. That's when we understood that for these
19 clients no regular claim had been filed. And that's when we
20 immediately -- when we understood that this was the case, we
21 filed, we sent the letter to the Lehman bankruptcy to file
22 the claim.

23 Now, what happened between the end of November and
24 the February letter, these people (indiscernible)
25 information to us, asking whether the claim form had been

1 filed or not. We don't think so. We don't think that we
2 were notified by them. We just filed all claim forms for
3 which we had received proper instructions and the blocking
4 number by the due date. And for some others for whom we
5 didn't receive information in time, we didn't file any
6 claim, and we took action when we understood that these
7 people were excluded at the beginning of February.

8 I think that explains the situation.

9 THE COURT: Now --

10 MR. BOWMANS: So clearly for these people, there's
11 never been an intention not to file, there's never been an
12 intention to be negligent. What we can say then
13 (indiscernible) is that it is a communication problem
14 between various parties about the steps that had to be taken
15 in order to comply with the (indiscernible).

16 THE COURT: All right. I have a couple of
17 questions for you, Mr. Bowmans. What is your position with
18 Deminor?

19 MR. BOWMANS: I'm a director at Deminor
20 International.

21 THE COURT: And you're located in Brussels?

22 MR. BOWMANS: Yes.

23 THE COURT: And you indicated that you, on behalf
24 of your client investors, reached a settlement with Citibank
25 in reference to Lehman program securities sold through

1 Citibank to these investors; is that correct?

2 MR. BOWMANS: Yes, that's correct.

3 THE COURT: And was that a global settlement, in
4 the sense that there was one settlement amount that you
5 ended up allocating to your clients or was there a separate
6 settlement for each of the investors based upon the facts
7 and circumstances of their individual claims?

8 MR. BOWMANS: Actually, Citibank committed under
9 the settlement agreement to pay -- to owe their clients 65
10 percent of the principal amount of the bond, plus the
11 opportunity for the client to reinvest that money with
12 Citibank at a very favorable interest rate, which that we
13 valued the settlement and (indiscernible) 70 percent of the
14 nominal value. And every client, in order to benefit from
15 that settlement that we had negotiated, had to sign the
16 settlement agreement. And upon signing of the settlement
17 agreement, they transferred their securities to Citibank and
18 then received the sum that was agreed, i.e., 65 percent plus
19 the reinvestment (indiscernible).

20 THE COURT: Do you --

21 MR. BOWMANS: One of the conditions of the
22 settlement agreement was that the claim form had to be --
23 that a proof of claim had been correctly filed with the
24 Lehman bankruptcy.

25 THE COURT: So if I understand this correctly, at

1 the time of the settlement, which was entered into after the
2 bar date; is that correct, or was it --

3 MR. BOWMANS: After discussions had started at the
4 end of I think right before or right after when on November
5 2, it was in that period, that settlement discussions
6 started. They lasted until early January, and then the
7 settlement was (indiscernible).

8 THE COURT: All right. So if I understand this
9 correctly, your clients potentially have suffered two
10 adverse consequences in reference to this, I just want to be
11 clear on this point.

12 MR. BOWMANS: Yes.

13 THE COURT: By virtue of the objection to the
14 allowance of these late claims, they stand to lose not
15 distributions in reference to the Lehman bankruptcy, but
16 instead distributions that are at a notionally greater
17 percentage recovery that would otherwise be payable by
18 Citibank and that that is not available to them because
19 their claims are not yet allowed claims in the bankruptcy;
20 is that correct?

21 MR. BOWMANS: Because of the fact that the proof of
22 claim was not correctly filed, the ownership of the
23 securities was not transferred under the settlement
24 agreement to Citibank. So the persons are still owners of
25 those securities. They have received an amount of damages

1 and which is about 65 percent, but I believe it was reduced
2 to 40 percent, but their (indiscernible) I would have to
3 check because it's already almost two years ago. But they
4 still remain owners of those securities, and if their claim
5 is now rejected, and that will be (indiscernible) then still
6 benefit from payments from the Lehman bankruptcy. I don't
7 know if that's an answer to your question.

8 THE COURT: Well, it both answers it and confuses
9 me a little bit. What I'm trying to understand is whether
10 allowance of these late claims results in a payment
11 obligation from Lehman or whether it simply allows the
12 claimant to obtain a greater recovery from Citibank.

13 MR. BOWMANS: Okay. No, it's the -- it would not
14 recover anything anymore from Citibank. That settlement is
15 done and it's completed. If this claim will be allowed,
16 then the owner of the securities will benefit from pay outs
17 from the Lehman bankruptcy like any other owner of
18 securities and still holds a claim, so there is no payment
19 to be received from Citibank any longer.

20 THE COURT: Okay. And do you have other clients
21 that engaged Deminor International to act on their behalf
22 who fully complied with the bar date, and who has as a
23 result of full compliance with the bar date, received the 65
24 percent more or less settlement from Citibank and
25 transferred their securities to Citibank in accordance with

1 the arrangements you've described?

2 MR. BOWMANS: Yes, absolutely, and that's the large
3 majority of the clients. I think in total we had around 800
4 clients in Belgium, but not all of these clients were
5 Citibank clients (indiscernible) had purchased securities
6 from Deutsche Bank or (indiscernible) some other banks. And
7 the large -- all except these I believe seven persons, and
8 for all those we -- I have to be precise, we didn't file the
9 claim form for all those 800 because I would say that the
10 majority of these persons just asked the bank to file the
11 claim for them. Citibank did file a claim form for a large
12 group of its clients, including clients for whom we were
13 acting. And some other clients wanted us to be involved in
14 it, wanted us to do the claim form. They had lost
15 confidence in their bank, they were in litigation for it,
16 they had (indiscernible) to the bank. (Indiscernible) and
17 they asked us to do it.

18 I don't know exactly the number of people for whom
19 we filed claim form, must be a couple of hundred, maybe 200
20 or 300, or something like that. And then you have these
21 seven persons for who no claim form was filed, neither by
22 Citibank nor by us. And that's what we are trying to
23 explain and we are extremely open on that. It is the
24 problem of communication where the client, I believe, has
25 not fully understood who would do what in this respect.

1 THE COURT: So do I understand from what you've
2 just said that the vast majority of your clients numbering
3 in the hundreds perhaps have no difficult in complying with
4 the bar date, and in fact, did so or caused others to do so
5 in their behalf by the deadline?

6 MR. BOWMANS: That's correct. And it's yeah,
7 beyond any doubt.

8 THE COURT: And do you have any explanation other
9 than the general statement of confusion or perhaps neglect,
10 that resulted in these seven claimants not having filed
11 their proofs of claim by the bar date?

12 MR. BOWMANS: (Indiscernible) things, but it's not
13 neglect because these -- otherwise, these people would not
14 have come to us to give the mandate to recover the monies
15 from Citibank. And these sort of people who were fairly
16 unhappy to the fact that they owned these securities that
17 were sold to them, that they had never understood really
18 what they were about.

19 So these were active investors, actively trying to
20 recover their monies. And more precisely, these investors
21 have not been able to give the instructions to us, I'm
22 afraid I cannot tell you because I can only say that we
23 didn't receive the necessary instructions in due time. And
24 some people we -- I remember very well, it was a
25 (indiscernible) period, a lot of investors were contacting

1 us at the time when these claim forms had to be sent to
2 (indiscernible) and some of them had not yet entered into a
3 contract with us, they were trying to understand how this
4 recovery action would work, what they needed to do, and if
5 they wanted to be part of it.

6 And we have not been able to contact all these
7 persons by phone to say, look, we haven't received anything
8 from you yet, you have to act et cetera. We have just --
9 you know, taking the instructions that we have received and
10 done our job.

11 And, yes, after the fact it has appeared that some
12 of these people didn't send us instructions, and I cannot
13 say more about precise reasons why. I know that some people
14 have (indiscernible) a holiday or (indiscernible). We don't
15 know more about the precise (indiscernible).

16 THE COURT: Okay. Well, I'm going to break in now
17 and make a few comments about the procedural setting of
18 today's hearing, and to ask some questions of debtor's
19 counsel, which can be answered right now or after a period
20 of reflection following a break.

21 But there are a couple of things that troubled me
22 about where we are. One is, Mr. Bowmans is a very
23 articulate spokesperson on behalf of Deminor International
24 and its clients, and has provided a great deal of
25 information that I did not have before we started this

1 process.

2 But he is speaking to me by telephone from
3 Brussels. He is not a witness who has been qualified to
4 testify today. It is unclear to me whether he is testifying
5 as, if you can call this discussion testimony, purely as a
6 fact witness or as a combined fact and expert witness. I
7 assume he's just a fact witness, but I don't know how he
8 knows everything that he knows. I don't know whether he was
9 personally involved in everything that he is describing, or
10 whether he is relating information that he has obtained from
11 others who work at Deminor, either as his colleagues or his
12 subordinates.

13 I don't know the specifics of the settlement that
14 he has described with Citibank. I haven't seen that
15 documentation. It may or may not be relevant to consider in
16 deciding how to deal with these disputed claims. And I
17 suppose that my greatest procedural hesitation at this
18 moment relates to the fact that the record is not yet
19 legitimate in the sense of including admissible evidence,
20 although the statements made by Mr. Bowmans are certainly
21 persuasive.

22 Whether or not they ultimately change the outcome
23 is unclear. Whether the debtors would wish to examine Mr.
24 Bowmans in a deposition under oath, or have testimony taken
25 consistent with today's colloquy with him at a further

1 hearing, I don't know. Whether Mr. Bowmans practically
2 could participate in the hearing after being sworn in
3 accordance with the law of Belgium, and participate by video
4 conference, so that he doesn't have to travel here is
5 another possibility.

6 But it seems to me that I've heard enough to have
7 more questions than I have answers about the matter that's
8 before the Court right now. And one of the questions
9 relates to the circumstances of each individual's confusion.
10 This becomes a very difficult fact question that I'm not
11 sure fits under the same category.

12 Mr. Bowmans is speaking on behalf of a class of
13 firm clients, and really can't speak to what they did or
14 didn't do or why they failed to do what virtually everybody
15 else did. So at some level, the failure of this small group
16 to do what everybody else in the class did is a negative
17 fact from the perspective of these individuals.

18 And while Mr. Bowmans has provided a very helpful
19 description of the context in which this arises, he is
20 necessarily unable to state what each individual did or
21 didn't do, why they dropped the ball. And in effect, each
22 individual claimant's efforts to comply and individual story
23 with a reference to how and why they were confused and
24 whether anyone is responsible for that confusion remains to
25 be developed.

1 In the response that counsel characterized by
2 Claude Fitvoye, which is in French and I can't read, but
3 could be translated, the characterization suggested that he
4 was away at the time, and without being specific because I
5 can't be at this juncture, appears to have relied on others
6 while he was away.

7 That may or may not change the legal analysis as to
8 whether or not that's a good reason, but it raises the
9 question as to whether each of these individuals may have
10 some particularized set of circumstances to assert. The
11 Deminor International papers are almost verbatim the same
12 for each claimant, and necessarily fail to provide
13 specifics.

14 So I'm left in something of a cloud on this. I'm
15 not sure that I have a sufficient record. I may never have
16 a sufficient record given language difficulties, geography,
17 and the amounts involved which indicate that these mostly
18 pro se claimants may have some difficulty in providing the
19 information because they don't have counsel and they're
20 foreigners.

21 So for all of these reasons, I'm going to reserve
22 decision with respect to this, and give the debtors an
23 opportunity to consider how most practically to proceed at
24 this point. It occurs to me that Mr. Bowmans' a non-lawyer,
25 may be a useful counterparty to engage in some set of

1 procedures that may enable me to decide these issues with a
2 clearer record. I appreciate his time today, but I also
3 find that while accepting what he said as the functional
4 equivalent of testimony that he would give if he were sworn
5 as a witness, I remain unable to, in fact, treat it as sworn
6 testimony. And I also recognize that the debtors may need
7 an opportunity to examine him and, in effect, cross-examine
8 him with regard to what he said.

9 So for those reasons, this will be adjourned and
10 I'll give the debtors an opportunity to give some thought as
11 to how you want to deal with this at future hearings.

12 MR. HORWITZ: Thank you, Your Honor.

13 THE COURT: And let me also ask just in case I've
14 left something out, if there's anyone else either in person,
15 in court or on the telephone who has anything to say with
16 regard to these matters that we've just talked about?

17 (No response)

18 THE COURT: Hearing nothing, we'll move on to the
19 next agenda item.

20 MR. HORWITZ: I'll turn the podium over to my
21 colleague, Mark Bernstein.

22 MR. BERNSTEIN: Good morning, Your Honor, Mark
23 Bernstein from Weil on behalf of Lehman Brothers Holdings,
24 Inc. as plan administrator.

25 The next item on the agenda is the 329th omnibus

1 objection. This is a carryover from a prior hearing. This
2 -- the 329th omnibus objection relates to claims that were
3 filed by employees that asserted priority under Section 507
4 of the Bankruptcy Code.

5 LBHI is not here today contesting the merits of the
6 claims or whether such claims are actually entitled to such
7 priorities under 507. The 329th omnibus objection only
8 seeks to reclassify any amounts asserted in the claims in
9 excess of the caps provided in Section 507, in order to
10 allow LBHI to more closely align their reserves with their
11 -- what their maximum multiple distributions may be, and
12 reserves all rights to object to these claims based on the
13 merits and whether any parts of them are ultimately entitled
14 to 502 priority in the future.

15 There were five responses filed to the objection.
16 One of the responses that was initially scheduled for
17 today's hearing was a response of Russell Schreiber and
18 Andrew Weber. Those claims have other components as well
19 that do not specifically relate to this objection, and we've
20 been working with those claimants to resolve those claims in
21 a separate fashion, so that this objection has been
22 adjourned with respect to Mr. Schreiber and Weber.

23 With respect to Nikki Marshall and Riccardo
24 Banchetti, they did file responses; however, their responses
25 did not oppose the relief sought in this objection. It only

1 sought to clarify that they weren't -- they still disputed
2 the separate objection seeking to reclassify their
3 restricted stock units as equity and we concede that this
4 has no bearing on those objections in any way.

5 The two remaining responses that we received were
6 the responses of Karen Simon Kreiger and Charles Kuykendall.
7 The response of -- the claim of Ms. Kreiger is based on
8 certain compensation that Ms. Kreiger received during her
9 employment at Lehman starting in 2003 where she received a
10 certain amount of restricted stock units, and also her
11 holdings of common stock including in her 401K account.

12 Ms. Kreiger checked the box on her proof of claim
13 indicating that her claim was entitled to priority under
14 507(a) (5) and also checked the "other" box.

15 Neither of these claims, whether they're RSUs or
16 common stock is of the type entitled to priority under 507,
17 but in any event, in this instance, we are -- they are -- to
18 the extent they ever are, they are subject to the caps of
19 507(a). And as a result, we're seeking to reclassify just
20 the portion in excess of the 10,950 cap that was in effect
21 on the filing date.

22 Ms. Kreiger's response indicates that these amounts
23 were discretionary deductions that were not part of her --
24 and were part of her income, and therefore, should be
25 considered as lost compensation. We don't dispute that in

1 any way, and sounds accurate, but that doesn't mean the
2 entire amount is entitled to priority, potentially just up
3 to the caps set forth in 507.

4 The claim of Charles Kuykendall is a claim for
5 deferred -- based on a deferred compensation plan that E.F.
6 Hutton had created prior to its merger with Lehman. E.F.
7 Hutton was acquired by Lehman at one point, and it is the
8 debtor's belief that actually LBI did assume the obligations
9 under this plan, and we've objected to this claim on the
10 173rd omnibus objection on those grounds.

11 Mr. Kuykendall did respond and we've adjourned that
12 matter. He has requested some discovery and we're going to
13 go through that process at some point. But in any event,
14 today again we're just seeking to reclassify the portion of
15 his claim in excess of the cap, and Mr. Kuykendall has
16 stopped working even at E.F. Hutton in 1994, according to
17 his papers, clearly none of that falls within the 180 day
18 requirements of Section 507, and therefore, is not entitled
19 to priority distributions.

20 I believe Ms. Kreiger is in the courtroom today and
21 Mr. Kuykendall's attorney I believe said he was going to be
22 dialing in. I'm happy to answer any questions Your Honor
23 may have at this point.

24 THE COURT: I have no questions.

25 MR. WING: Your Honor, Steve Wing, I'm the attorney

1 for Mr. Kuykendall.

2 THE COURT: Well, you just jumped on lines because
3 I was about to say I have no questions at this time.

4 MR. WING: Sorry, Your Honor.

5 MR. BERNSTEIN: Thank you, Your Honor.

6 THE COURT: No problem, it's one of the problems of
7 appearing by telephone.

8 What do you have to say?

9 MR. WING: Well, Your Honor, I think it's been
10 succinctly stated that my client although he filed his claim
11 pro se and indicated that it was covered as a priority claim
12 under 507(a)(5), it wasn't (indiscernible) within the last
13 180 days. It isn't entitled to priority probably, and you
14 know, that won't be finally determined until we actually get
15 to address the merits of the claim which looks like it's
16 going to be a long time down the road.

17 And so I don't see where we're accomplishing
18 anything here, because to say that his claim should be split
19 into a part that would be subject to the cap and a part that
20 wouldn't be is kind of repudiated by what counsel for the
21 debtor has just said. That they don't think that it would
22 be (indiscernible) priority anyway, and therefore splitting
23 the claim and having to potentially litigate two issues
24 instead of one makes no sense at all. I don't see how it
25 provides any progress or forward motion with regard to the

1 Chapter 11 plan.

2 They don't plan to allow this claim or make a
3 decision as to allow this claim. They're not admitting that
4 it qualifies under the statute as a priority claim. In
5 fact, they're clearly denying it, and they may even be
6 right. But they -- this motion doesn't even really apply to
7 my client. And for that reason, I think it should be denied
8 because it's not appropriate and the basis set forth, and
9 the motion itself is inapplicable to my client and factually
10 in error.

11 MR. BERNSTEIN: Your Honor, the claim of Mr.
12 Kuykendall was filed in the amount of \$348,273. Based on
13 the terms of the Lehman plan, we are required to reserve
14 that exact amount for it because it was filed as priority.

15 What the motion seeks to do is to determine that
16 only in any circumstance up to 10,950 will be priority,
17 we'll reserve 10,950 dollar-for-dollar, and then anything
18 above the 10,950 the approximately 340,000 or 338,000 we've
19 reserved based on his -- the distributions on -- as an
20 unsecured claim on this claim.

21 So there is significant benefit to the debtors and
22 will enable the debtors to make more significant
23 distributions along with the other claims that were
24 reclassified pursuant to this objection.

25 As to whether we agree or disagree whether it will

1 ultimately be determined as priority is something that can
2 be determined in the future, and there's no reason that this
3 objection needs to be held off until an ultimate
4 determination on the merits or ultimate priority with
5 respect to any priority of the claim is made.

6 THE COURT: It also sounds to me as if counsel for
7 this claimant, for all practical purposes, acknowledges that
8 there's some merit to the argument that this is not a
9 priority claim.

10 The Court doesn't need to decide that one way or
11 the other right now except to say that it is a material
12 benefit to the estate that that which is being reserved as a
13 priority claim be limited to the 507(a) cap, and not be
14 unlimited in amount as reflected in the claim.

15 And so this objection will be allowed with respect
16 to that issue. With the understanding that it doesn't in
17 any way prejudice other issues concerning the treatment of
18 Mr. Kuykendall's claim.

19 I would also suggest for what it may be worth, that
20 since counsel is now involved on behalf of the claimant that
21 some thoughtful attention to the claim might be worthwhile,
22 and in recognition of the fact that anyone who worked for
23 E.F. Hutton in 1994 could not possibly be asserting a
24 priority claim today based upon anything I know, some
25 thought might be given to reclassifying even the 507(a)

1 portion by agreement.

2 MR. BERNSTEIN: Certainly, Your Honor. We'll reach
3 out to Mr. Kuykendall's counsel.

4 THE COURT: Okay.

5 MR. BERNSTEIN: The other claimant is Ms. Kreiger,
6 who I said is in the courtroom today.

7 THE COURT: Okay. Ms. Kreiger. You can come
8 forward and speak to me from the podium.

9 MR. WING: Your Honor, since you're done with my
10 client, I'm going to end my involvement in the call.

11 THE COURT: That'll be fine, you can hang up.

12 MR. WING: Thank you, Your Honor.

13 MS. KREIGER: Your Honor, going through my third
14 very public employer bankruptcy is just unconscionable.
15 Every effort was made by me to learn from the lessons of the
16 first and second bankruptcies at Drexel Bernal & Baher (ph)
17 and Centennial Government Securities respectively and
18 minimize my investment in an organization where I had a
19 dependency on my annual earning stream.

20 My employment with Lehman Brothers commenced in
21 November 1990. Unfortunately Lehman Brothers management
22 made a decision in 1994 shortly after became a publicly
23 traded firm to establish a stock award program that provides
24 every member of Lehman Brothers with an ownership interest
25 in the firm and a requirement that the stake be held for

1 five years.

2 As noted in their annual stock award distribution
3 to its employees, the program provides an incentive to think
4 and act like an owner everyday, and allow all participants
5 to share in the firm's financial success over time.

6 Upon further review of the Lehman Brothers stock
7 award program documentation it states, "All bonus eligible
8 members of the firm receive a portion of their compensation
9 in restricted stock units. Each RSU represents the right to
10 receive one share of the Lehman Brothers common stock five
11 years after the RSU is granted. RSUs have been awarded to
12 you as part of your annual bonus payable for the years'
13 performance. The portion of the compensation paid in RSUs
14 increases as the amount of your total compensation rises.
15 On November 30th of each year, the restriction period will
16 end and your vested RSUs will convert to Lehman Brothers
17 common stock. Once your RSU converts to common stock, you
18 may continue to hold those shares or sell them, subject to
19 any compliance restrictions on employees trading Lehman
20 Brothers stock. The RSUs cannot be sold before conversion."

21 The operating terms of the Lehman Brothers stock
22 program have repeatedly communicated that it was funded
23 through a mandatory deduction of a portion of our annual
24 compensation, and therefore, should be treated as it is lost
25 compensation in a priority secured claim.

1 Further supporting this is the notion that I was
2 neither in any position to make a choice regarding my desire
3 to become a participant, nor could I make any investment
4 decisions during the restricted period. Choices to hold or
5 sell the restricted stock units were only available after
6 the completion of the vesting period.

7 In addition, all offer letters to new employees
8 issued after the commencement of the Lehman Brothers stock
9 award program included the following wording, "The
10 performance year ending your compensation will be as
11 follows, salary, bonus at the firm's option a portion of
12 your current and future year's total compensation, combined
13 salary, bonus, and other compensation will be paid in
14 restricted stock units pursuant to the firm's employee stock
15 award program as then in effect. While the above
16 compensation commitments will be honored, this letter is not
17 a contract of continuing employment."

18 In light of my previous employer's history and my
19 personal circumstances of being a young widow with two
20 children that I had to raise through college until
21 adulthood, I chose to sell most of my restricted stock units
22 each year in order to pay for their raising through to their
23 college education and graduation.

24 While I most certainly thought and acted like an
25 owner during my 18 years at Lehman Brothers everyday, the

1 management decision to establish this program handcuffed my
2 ability to manage my RSU investments as I have managed my
3 other investments. I was dependent upon decisions outside
4 of my control.

5 My objection to the 329th omnibus motion is only
6 associated to the restricted stock units where I have no
7 ability to make prudent investment decisions. I have
8 excluded those shares that I kept beyond the restricted
9 period where I had a discretionary ability to make personal
10 investment decisions.

11 In summary, I am asking the Court to rule that the
12 portion of my claim associated to the unvested restrict
13 stock units which equated to \$164,319.52 be treated as if it
14 was lost compensation and a priority secured claim. Thank
15 you.

16 THE COURT: Thank you, Ms. Kreiger. What's the
17 debtor's position with regard to this? I think I probably
18 know it, because we've heard a lot about RSUs in other
19 hearings.

20 MR. BERNSTEIN: Certainly, Your Honor. Mark
21 Bernstein again from Weil on behalf of Lehman.

22 The claims of Ms. Kreiger that relate to restricted
23 stock units are being handled in the group with the other
24 restricted stock unit claims. Ms. Kreiger has been involved
25 and has signed the -- signed up to participate in the

1 discovery that is ongoing and we spoke earlier. She hasn't
2 been able to get access to the data room, but we'll
3 certainly work with her to get access, but --

4 THE COURT: Okay.

5 MR. BERNSTEIN: -- the merits of the claim will be
6 dealt with in that litigation with all other RSU claims.

7 The fact that the RSUs and whether or not they're
8 compensation is certainly an argument that -- people are
9 making in relation to the merits is not determinative as to
10 whether or not they should be treated as priority claims.

11 Unfortunately the 507 cap to the extent these
12 claims are priority, the cap still applies to them, and
13 there's no circumstances under which the claim can be
14 allowed in a priority amount's great than 10,950. And even
15 if that -- and it's still unclear whether or not that will
16 even happen based on the RSU litigation.

17 So a majority of these RSUs I would add were earned
18 starting -- again, starting in 2003, going up to 2007, and
19 not within 180 days as required by the statute. There does
20 appear to be a small portion of less than \$10,000 that was
21 earned within the RSUs that were distributed in I think July
22 or August of 2008. But even that amount is below the cap
23 which we're seeking to, at least at this point, permit the
24 claim to remain standing in the priority amount.

25 So we believe the objection should be granted, and

1 any amounts in excess of the cap should be classified as
2 unsecured claims.

3 THE COURT: Well, let me understand and in asking
4 this question, it may also help Ms. Kreiger understand
5 precisely what this objection is seeking to do.

6 Is it correct that the only thing that you are
7 seeking to do is to treat her claim as misclassified to the
8 extent that it seeks priority treatment of the entirety of
9 her RSU claim, and that what you are seeking to do is to
10 reclassify it so that anything in excess of the \$10,950 cap
11 of 507(a) becomes an unsecured claim, with the understanding
12 that it becomes an unsecured claim that is subject to an
13 ongoing objection to have it reclassified as equity?

14 MR. BERNSTEIN: That's exactly what we're seeking
15 to do in this objection.

16 THE COURT: All right. The objection as it relates
17 to this claim is allowed without prejudice to Ms. Kreiger's
18 ability to continue to prosecute her rights with respect to
19 further reclassification of the claim to equity.

20 I would note that issues relating to the proper
21 classification and treatment of RSU related claims remains
22 an ongoing and unresolved issue in the case. And based upon
23 an argument that took place several months ago, it's my
24 understanding that it will take a considerable period of
25 time for the parties who are involved in this to complete

1 requested discovery to file supplemental papers if any are
2 going to be filed, and for the disputes that are at issue
3 here, to be fully ripe for adjudication.

4 Nothing that's happening with respect to the 329th
5 omnibus objection to claims will impact in any way the
6 resolution of that unresolved question.

7 I view Ms. Kreiger's statements just made as
8 statements that primarily relate to the broader question of
9 how RSUs are to be classified. And there's nothing that has
10 been said either by her or by me in this regard that will
11 impact the ultimate decision, although what she has said
12 today may well be incorporated into the record or become
13 part of the record in some other way when that matter is
14 heard on the merits.

15 MR. BERNSTEIN: Your Honor, that concludes the
16 agenda for today's hearing.

17 THE COURT: Fine. We're adjourned until next time,
18 thank you.

19 (Proceedings concluded at 11:18 AM)
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R U L I N G S

DESCRIPTION

PAGE

LINE

Kuykendall - 329th Omnibus Objection

40

6

to Claims

Kreiger - 329th Omnibus Objection

46

16

to Claims

C E R T I F I C A T I O N

I, Sheila G. Orms, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

Dated: September 28, 2012

Sheila
Orms

Digitally signed by Sheila Orms
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